BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF ULTRA RESOURCES, INC. FOR AN ORDER AUTHORIZING THE FLARING OF GAS IN EXCESS OF THE AMOUNTS ALLOWED UNDER UTAH ADMIN. CODE RULE R649-3-20(1.1) FROM THE THREE RIVERS #2-13-820 AND THREE RIVERS #2-23-820 WELLS LOCATED IN SECTION 2 OF TOWNSHIP 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH

NOTICE OF HEARING

Docket No. 2014-011 Cause No. 142-11

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on **WEDNESDAY**, **FEBRUARY 26**, **2014**, **at 9:00 AM**, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq. and as provided for in Utah Code Ann. § 40-6-1 et seq. and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

- 1. Authorizing Ultra to flare associated produced gas in amounts in excess of that currently allowed under Utah Admin. Code Rule R649-3-20(1.1) for each of the following oil wells operated by Ultra and located in the Three Rivers field in Uintah County, Utah:
 - Three Rivers #2-13-820 Well, with a surface hole location in the SW¹/₄NW¹/₄ of Section 2, Township 8 South, Range 20 East, SLM;
 - Three Rivers #2-23-820 Well, with a surface hole location in the SW¼NW¼ of Section 2, Township 8 South, Range 20 East, SLM;

(hereinafter referred to as "Subject Wells") until construction of a pipeline to the Subject Wells is completed or April 1, 2014, whichever occurs earlier; provided, however, that if pipeline completion does not occur by April 1, 2014, and Ultra provides prior written notification thereof to the Division, the Division will have the administrative authority to extend such flaring for an additional one month period. If, at the end of such extended period pipeline construction is still not complete, Ultra will petition the Board for additional extension upon good cause shown; and

2. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 10th day of the month, or two weeks before the scheduled hearing, whichever is earlier. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation by parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 29th day of January, 2014.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2014-011 Cause No. 142-11 to be PUBLISHED in the following newspapers on the following days:

February 2, 2014:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

February 4, 2014:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

February 4, 2014:

<u>Vernal Express</u>, a newspaper of general circulation in Dagget and Uintah Counties.

Julie Ann CarTer

CERTIFICATE OF MAILING

I hereby certify that on this 30th day of January, 2014, I caused a true and correct copy of the foregoing **NOTICE OF HEARING**, for Docket No. 2014-011, Cause No. 142-11, to be served via Email or U.S. Mail, properly addressed with postage prepaid, upon each of the following:

MacDonald & Miller Mineral Legal Services, PLLC Kiersty Loughmiller, Esq. Frederick M. MacDonald, Esq. Attorneys for Petitioner 7090 S. Union Park Ave., Suite 400 Salt Lake City, UT 84047 [Via Email]

Ultra Resources, Inc. Jason Gaines Sr. Drilling Engineer/Regulatory Manager 304 Inverness Way South, Suite 295 Englewood, CO 80112

Michael S. Johnson Assistant Attorney General Utah Board Of Oil, Gas And Mining 1594 West North Temple, Suite 300 Salt Lake City, Utah 84116 [Via Email]

Utah Board Of Oil, Gas And Mining 1594 West North Temple, Suite 300 Salt Lake City, Utah 84116 [Via Email]

Utah School and Institutional Trust Lands Administration Attn: LaVonne Garrison 675 East 500 South, Suite 500 Salt Lake City, UT 84102

Stonegate Resources, LLC P.O. Box 680667 Park City, UT 84068-0667

Assistant Attorney General

Wasatch Oil & Gas, LLC 1010 North 500 East, Suite 320 North Salt Lake, UT 84054

Mary L. McPherson 3920 Fox Casper, WY 82604

Steven F. Alder

UPL Three Rivers Holdings, LLC c/o Mary Sharon Balakas 304 Inverness Way South, Ste. 295 Englewood, CO 80112

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